

Solvency Report

Financial Year 2025

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1 Introduction

Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms, and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (hereinafter “Regulation (EU) 2019/2033”), establishes the obligation for investment firms to disclose information to the market.

Article 46(1) of the aforementioned Regulation specifies that investment firms which do not meet the conditions to be considered small and non-interconnected investment firms must disclose information regarding their objectives and risk policies, governance, own funds, capital requirements and remuneration policies on the same date as they publish their annual financial statements.

Similarly, Article 174 of Law 6/2023 of 17 March on Securities Markets and Investment Services regulates the manner in which this information is to be presented through the preparation and publication of an annual report containing essential information and key business indicators.

This Solvency Report has been prepared in compliance with the aforementioned regulations and was approved by the Company’s Board of Directors on 28 April 2026.

2 Scope of application

This Solvency Report applies to European Digital Securities Exchange S.V., S.A. (hereinafter, “the Company”), as an investment services firm that does not meet the criteria set out in Article 12(1) of Regulation (EU) No 2019/2033 of the European Parliament and of the Council of 27 November 2019 to be considered a small and non-interconnected investment services firm.

The Company provides the Investment Services set out in this Section and included in the programme of activities that the Company has submitted and registered with the CNMV

Below is a brief description of the Investment Services provided by the Company:

2.1 Operation of a Multilateral Trading Facility

The Company operates its own Multilateral Trading Facility, intended for the trading and execution of Financial Instruments.

This activity is subject to operational risk.

2.2 Execution of Orders on behalf of Investors

The Company acts as a member of its own MNS, offering Investors the Investment Service of order execution through its membership.

Through the Private Area of the Web Platform, Investors may enter and execute Orders directly on Financial Instruments via the relevant Member. The Private Area of the Web Platform will be the only means available for the entry and execution of Orders. Under no circumstances is the manual

entry of Orders by the Company's Employees permitted, nor is the receipt of Orders from Investors via any means of communication other than the Private Area of the Web Platform.

This activity is subject to operational risk.

2.3 Placement of Financial Instruments without a Firm Commitment

The Company provides the Investment Service for the placement of financial instruments without a firm commitment, in relation to those Financial Instruments issued on the SMN primary market.

Through this Service, the Company makes available to Investors, via the Private Area of the Web Platform, the information and tools necessary for them to decide whether to subscribe to the aforementioned financial instruments.

The Company does not provide an investment advisory service, but merely informs Investors of the existence of a new issue of a Financial Instrument and the Issuer's intention to carry out an issue on the primary market. It is the Investors who access the documentation relating to the Issuer and the Financial Instruments and decide whether to subscribe to the Financial Instruments if they deem it appropriate. Under no circumstances does the Company contact Investors individually by telephone or using other means to encourage the subscription of Financial Instruments.

In addition, Issuers may contact their existing Investors via the Web Platform to notify them of the issue of Financial Instruments on the primary market. Under no circumstances does the Issuer have access to the personal information of Investors who are not holders of Financial Instruments issued by them.

Under no circumstances does the Company place financial instruments on the basis of a firm commitment. Therefore, the Company does not subscribe for any amount in its own name for subsequent distribution amongst Investors.

As part of this Investment Service, the Company provides the Issuer and Investors with the necessary tools to facilitate their syndication for the subscription of the Financial Instruments.

This activity is subject to operational risk.

2.4 Custody and administration service on behalf of Investors of Financial Instruments

The Company provides the Investment Service of custody and administration on behalf of Investors of Financial Instruments and temporary cash balances.

This activity is subject to operational risk.

3 Risk management objectives and policies

3.1 Description of the risk strategy

The Company's risk profile is determined by its core business as manager of the SMN, where it acts as a market participant, and by the ancillary or complementary activities that support this: execution of orders on behalf of clients, placement of financial instruments without a firm

commitment, and custody and management of financial instruments on behalf of clients, amongst others.

The Company has a risk management and control model defined in the Risk Policy, based on the following pillars detailed in that Policy and set out below:

- a) Segregation of duties.
- b) An appropriate organisation of the risk function.
- c) A clearly defined risk management policy.
- d) A risk measurement system with methodologies and tools appropriate to the nature of the Company's risks being measured.
- e) Risk control systems that enable the Company's exposures to different types of risk to be limited and, where appropriate, monitored.
- f) An information reporting system that provides the Board of Directors and Senior Management with an overview of the risks to which the Company is exposed.

One of the fundamental pillars of the risk management model is an appropriate organisational structure that involves all levels of responsibility within the Company in the identification and management of risk, from the Board of Directors and its delegated committees, to the operational, administrative and control departments. All of these are closely involved in risk-related processes and are regularly informed of the analyses and quantification of the different types of risk carried out by the control units.

3.2 Types of risk

3.2.1 Risk to clients

The Company provides the Investment Service of custody and administration on behalf of Investors of Financial Instruments and temporary cash balances, acting at all times in the Investor's best interests.

The Company shall, as a general rule, take whatever steps are necessary or appropriate to safeguard the rights pertaining to the Financial Instruments under management, in accordance with the details set out in the General Terms and Conditions for Investors drawn up by the Company.

Clients' securities held in custody are deposited with the central securities depository "Euroclear France", whose parent company has an AA rating.

Cash deposited by clients on a temporary basis for the execution of buy orders, or as a record of income in their cash accounts at Portfolio Stock Exchange following securities sales transactions, is held at the Bank of Spain and, to a lesser extent, at first-tier banks with a rating higher than A2 or A, in accounts segregated from the Company's own operational accounts.

This service is subject to operational risk and therefore to capital requirements based on K-factors, which are calculated in accordance with Articles 18 and 19 of Regulation (EU) 2019/2033.

3.2.2 Market risk

The Company does not invest in financial assets on its own account, and all its activities are conducted in euros; consequently, it has no exposure to this type of risk.

3.2.3 Business risk

Credit risk

Pursuant to Article 24 of Regulation (EU) 2019/2033, the Company's exposure to credit risk shall be that arising from positions recorded in the trading book resulting from transactions carried out on its own account, whether for itself or for a client.

The Company does not carry out proprietary trading.

Purchase transactions executed by clients through Portfolio Stock Exchange as a member of its own market require pre-funding. The Company does not engage in securities lending, and to carry out securities sales transactions, clients must have sufficient securities in their portfolio beforehand.

The Company's cash is held in current accounts with leading banks, rated above A2 or A.

Concentration risk

To the extent that the Company may be subject to credit risk exposure, the following internal limits are established in accordance with Article 37 of Regulation (EU) 2019/2033, so as to prevent excessive concentrations with respect to a single counterparty or group of linked clients:

- a) Financial sector entities: limit of 100% of the Company's eligible own funds.
- b) Non-financial firms: limit of 25% of the Company's own funds.

3.2.4 Liquidity risk

Pursuant to Article 43 of Regulation 2019/2033, the Company must hold liquid assets amounting to at least one-third of 25% of the fixed overheads for the preceding financial year.

Generally speaking, the Company only holds basic liquidity, and its exposure to this type of risk is insignificant, as it largely consists of current account deposits with top-tier institutions, although periodic bank reconciliations are carried out and potential sources of risk are monitored to anticipate cash gaps.

4 Governance

4.1 Corporate Governance

The Board of Directors approves the risk-taking policies and the mechanisms for their measurement and control, and is kept promptly informed of business developments, the risks assumed and compliance with regulatory ratios and established limits.

At the time of writing this report, the Board of Directors comprises one independent director, two members of the management body with executive functions, two proprietary directors and a secretary.

The Audit and Risk Committee, by direct delegation from the Board of Directors, is responsible for reporting to, advising and making proposals to the Board of Directors on matters relating to risk management and control. The Committee meets at least twice a year and as often as necessary to fulfil its duties.

The Risk Control Department is responsible for implementing the procedures and controls set out in the Risk Policy and the Recovery Plan.

The Legal and Regulatory Compliance Department is responsible for advising and assisting the Company's employees and governing bodies in order to avoid legal risks arising from non-compliance with regulations and, specifically, for providing regulatory support and advice to the risk function.

The Company's Internal Audit function is responsible for reviewing the internal control procedures, policies and systems established by the Company, with the aim of identifying inefficiencies or shortcomings and proposing any changes it deems necessary. The Internal Audit function is currently outsourced.

4.2 Diversity Policy

The Company has a Code of Ethics and Conduct to which its employees are bound, which stipulates that all employees shall conduct themselves in their work in such a way as to avoid any form of discrimination against another employee on the grounds of their ideology, religion or beliefs, family situation, ethnicity, race or nationality, national origin, sex, age, sexual or gender orientation or identity, gender-related reasons, aporophobia or social exclusion, any illness they may suffer from or their disability, for acting as a legal or trade union representative of the workers, for kinship with other employees of the Company, or for the use of any of the official languages within the Spanish State.

This obligation extends to staff selection criteria, ensuring that these are based solely on the candidate's knowledge, experience and integrity, and avoiding discriminatory bias on any of the grounds listed above.

5 Regulatory capital

5.1 Composition of regulatory equity

At the end of the 2025 financial year, the Company's own funds consisted entirely of Common Tier 1 Capital items.

The composition of these own funds is detailed below with reference to the balance sheet headings included in the audited financial statements (figures in thousands of €), in accordance with template EU IF CC1.01:

		(a)	(b)
		Amounts	Reference to the balance sheet in the published/audited financial statements
1	OWN FUNDS	664	
2	TIER 1 CAPITAL	664	

3	COMMON TIER 1 CAPITAL	664	
4	Fully paid-up equity instruments	2.182	A) Net Equity-I
5	Share premium	2.495	A) Net Equity-II
6	Retained earnings		
7	Accumulated other comprehensive income	-1.560	A) Net Equity-V
8	Other reserves		
9	Minority interests recognised in Common Equity Tier 1 capital		
10	Adjustments to Common Equity Tier 1 capital due to prudential filters		
11	Other funds	2.050	A) Net Equity-VI
12	(-) TOTAL DEDUCTIONS FROM ORDINARY TIER 1 CAPITAL	-4.502	
13	(-) Own Common Tier 1 capital instruments		
14	(-) Direct holdings of Common Equity Tier 1 instruments		
15	(-) Indirect holdings of ordinary equity instruments		
16	(-) Synthetic holdings of ordinary equity instruments		
17	(-) Losses for the current financial year	-1.977	
18	(-) Goodwill		
19	(-) Other intangible assets	-1.603	A) Non-current assets - I.2
20	(-) Deferred tax assets dependent on future profits and not arising from temporary differences, net of related tax liabilities	-922	A) Non-current assets - VI
21	(-) Qualifying holding outside the financial sector exceeding 15% of equity		
22	(-) Total qualifying holding in undertakings other than financial sector entities exceeding 60% of own funds		
23	(-) Common Tier 1 capital instruments of financial sector entities in which the investment firm does not have a significant investment		
24	(-) Common Equity Tier 1 instruments of financial sector entities in which the investment firm has a significant investment		
25	(-) Assets of defined benefit pension funds		
26	(-) Other deductions		
27	Common Equity Tier 1 capital: Other capital items, deductions and adjustments	0	
28	ADDITIONAL TIER 1 CAPITAL	0	
29	Fully paid-up and directly issued capital instruments		
30	Share premium		
31	(-)TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 CAPITAL	0	
32	(-) Additional Tier 1 capital instruments	0	
33	(-) Direct holdings of Additional Tier 1 capital instruments		
34	(-) Indirect holdings of additional Tier 1 capital instruments		
35	(-) Synthetic holdings of additional Tier 1 capital instruments		
36	(-) Additional Tier 1 capital instruments of financial sector entities in which the investment firm does not have a significant investment		
37	(-) Additional Tier 1 capital instruments of financial sector entities in which the investment firm has a significant investment		
38	(-) Other deductions		

39	Additional Tier 1 capital: Other capital items, deductions and adjustments		
40	TIER 2 CAPITAL	0	
41	Fully paid-up and directly issued equity instruments		
42	Share premium		
43	(-) TOTAL DEDUCTIONS FROM TIER 2 CAPITAL	0	
44	(-) Tier 2 capital instruments	0	
45	(-) Direct holdings of Tier 2 capital instruments		
46	(-) Indirect holdings of equity instruments 2		
47	(-) Synthetic holdings of equity instruments 2		
48	(-) Tier 2 capital instruments of financial sector entities in which the investment firm does not have a significant investment		
49	(-) Tier 2 capital instruments of financial sector entities in which the investment firm has a significant investment		
50	Tier 2 capital: Other capital items, deductions and adjustments	0	

There are no restrictions on the disposal of the Company's equity.

5.2 Reconciliation of regulatory own funds with the balance sheet of the audited financial statements

The following EU IF CC2 template details the reconciliation of regulatory equity with the balance sheet of the audited financial statements (figures in thousands of €). Data in column B is omitted, as European Digital Securities Exchange S.V., S.A. does not consolidate with other entities:

		a	b	c
		Balance sheet according to published/audited financial statements	Within the regulatory scope of consolidation	Reference to EU IF CC1
		Year-end	Year-end	
Assets – Breakdown by asset type according to published/audited balance sheet				
1	Other intangible fixed assets	1.603		19
2	Deferred tax assets	922		20
3	Other assets	7.902		
xxx	Total assets	10.427		
Liabilities - Breakdown by type of liability according to published/audited balance sheet				
1	Non-current liabilities	0		
2	Current liabilities	7.238		
xxx	Total liabilities	7.238		
Equity				
1	Capital	2.182		4
2	Share premium	2.495		5

3	Retained earnings	-1.560		6
4	Other contributions from members	2.050		11
5	Profit for the year	-1.977		17
xxx	Total equity	3.189		

5.3 EU I CCA Template: Equity: main characteristics of the equity instruments issued by the Company

The following is a description of the main characteristics of the ordinary Tier 1 capital instruments issued by the Company.

		a
		<i>Free text</i>
1	Issuer	European Digital Securities Exchange S.V., S.A.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement of securities)	LEI 959800UP9ANDBHTKJ408
3	Public or private placement	Private
4	Legislation applicable to the instrument	Royal Legislative Decree 1/2010 of 2 July, approving the consolidated text of the Companies Act
5	Type of instrument (each country shall specify the relevant types)	Ordinary shares
6	Amount recognised in authorised capital (in millions, as at the date of the last notification)	2,182
7	Nominal amount of the instrument	2,034,402,35
8	Issue price	n/a
9	Redemption price	n/a
10	Accounting classification	Equity
11	Initial issue date	16/09/2019
12	Perpetual or with a fixed maturity	Perpetual
13	Initial maturity date	n/a
14	Issuer's call option subject to prior approval by the supervisory authorities	n/a
15	Optional call option exercise date, contingent exercise dates and amount to be repaid	n/a
16	Subsequent exercise dates, if applicable	n/a
	<i>Coupons/dividends</i>	
17	Fixed or variable dividend or coupon	Dividend
18	Coupon interest rate and any related index	n/a
19	Existence of restrictions on the payment of dividends	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of a coupon increase or other incentives to redeem	n/a
23	Cumulative or non-cumulative	n/a
24	Convertible or non-convertible	n/a
25	If convertible, trigger(s) for conversion	n/a
26	If convertible, fully or partially	n/a

27	If convertible, conversion ratio	n/a
28	If convertible, mandatory or optional conversion	n/a
29	If convertible, specify the type of instrument into which it can be converted	n/a
30	If convertible, specify the issuer of the instrument into which it converts	n/a
31	Redemption characteristics	n/a
32	In the event of amortisation, triggering factor(s)	n/a
33	In the event of repayment, total or partial	n/a
34	In the event of amortisation, permanent or temporary	n/a
35	If the write-down is temporary, description of the revaluation mechanism	n/a
36	Non-compliant features following the transition	n/a
37	If so, specify the non-conforming characteristics	n/a
38	Link to the full terms and conditions of the instrument (hyperlink)	n/a
(1) Enter 'n/a' where the question is not applicable		

6 Capital requirements

6.1 Internal capital assessment method

Article 172 of Law 6/2023 of 17 March on Securities Markets and Investment Services provides that investment firms (IFs) that do not meet the conditions set out in Article 12, paragraph 1, of Regulation (EU) No 2019/2033 of the European Parliament and of the Council of 27 November 2019 (IFR), in order to be considered small and non-interconnected ISPs, shall have robust, effective and comprehensive systems, strategies and procedures in place to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital and liquid assets that they consider adequate to cover the nature and level of risks that such ISPs may pose to third parties to whom they are or may be exposed.

Royal Decree 813/2023 of 8 November on the legal regime governing ESIs and other entities providing investment services stipulates, in Article 67, that self-assessment strategies and procedures shall be summarised in a Capital Self-Assessment Report to be submitted to the Regulator.

The Company prepares this report in accordance with the criteria published by the CNMV in its Guide to Capital Self-Assessment for ESIs.

6.2 Capital requirements based on K-factors and requirements based on general fixed costs

The following details the calculated K-factor own funds requirements, in accordance with Article 15 of Regulation 2019/2033, on an aggregated basis for RtM, RtF and RtC, based on the sum of the applicable K-factors, as well as the requirement based on general fixed costs, determined in accordance with Article 13 of the same Regulation.

Item	Amount (€ thousands)
Requirement based on general fixed costs	568
Requirement based on K factors	774

Taking into account these requirements, as well as the available equity at the end of the financial year as shown in section 5, there was a capital shortfall of €110 thousand.

7 Remuneration policy and practices

In general, the Company sets the following remuneration criteria when remunerating its employees:

- a) To offer fixed remuneration packages that enable the Company to attract, retain and motivate the most outstanding professionals, thereby facilitating the successful development of the Company's business and the achievement of its strategic objectives, and which are competitive with those offered by entities comparable to the Company;
- b) To offer variable remuneration designed to promote and incentivise the achievement of the Company's strategic objectives; and
- c) Design variable remuneration so that it can be assessed on the basis of objective criteria relating to the individual performance of the person concerned and the achievement of the Company's business objectives.

In any event, the Company shall monitor and establish variable remuneration policies for senior managers and employees whose activities have a significant impact on the Company's risk profile, in such a way as not to encourage them to take unjustified risks. Specifically, the general principles to be applied when determining and structuring the variable remuneration of the aforementioned Company personnel are:

- Where remuneration is linked to performance, its total amount shall be based on an assessment combining the individual's performance, assessed according to both financial and non-financial criteria; the performance of the relevant business unit; and, finally, the Company's overall performance. The assessment of performance shall be set within a multi-year framework to ensure that the assessment process is grounded in the Company's long-term performance, and that the actual payment of performance-based remuneration components is spread over a period that takes into account the Company's underlying economic cycle and its business risks.
- The total variable remuneration shall not limit the Company's ability to strengthen the soundness of its capital base.
- Guaranteed variable remuneration shall be exceptional and shall only be paid when new staff are recruited, the Company has a sound and robust capital base, and shall be limited to the first year of employment.
- Within total remuneration, fixed and variable components shall be appropriately balanced. The fixed component shall constitute a sufficiently high proportion of total remuneration, so that a

fully flexible policy may be applied with regard to the variable components of remuneration, to the extent that it is possible not to pay these components.

- The variable component shall not exceed one hundred per cent of the fixed component of each individual's total remuneration calculated per calendar year. However, the Company's General Meeting of Shareholders may approve a higher level, provided that it does not exceed two hundred per cent of the fixed component and is duly justified.

Below is detailed aggregate quantitative information on remuneration, broken down by senior executives and employees whose activities have a significant impact on the Company's risk profile:

<i>Amounts in thousands of €</i>				
	No. of employees identified ⁽¹⁾	Fixed	Variable	% Fixed/Variable
Senior management	12	688	0	--
Other employees	0	--	--	--
Total	12	688	0	--

Two of the identified employees left the company in July 2025.

During the financial year in question, the Company did not make any severance payments.

Furthermore, the Company did not benefit from any of the exemptions provided for in Article 32(4) of Directive (EU) 2019/2034.